

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 182 - SB 159

February 1, 2021

SUMMARY OF BILL: Removes authorization for local beer boards and the Alcoholic Beverage Commission (ABC) to convene and take reciprocal measures against permittees in certain circumstances. Prohibits local governments from imposing fines or penalties in certain circumstances.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Pursuant to Tenn. Code Ann. § 57-1-214:
 - If the ABC suspends or revokes a license to sell alcoholic beverages for violations of Tenn. Code Ann. § Title 57, Chapter 4, the ABC shall provide notice to the applicable local beer board. The local beer board is then authorized to take similar action related to the entity's beer permit; and
 - If a local beer board suspends or revokes a beer permit for violations of Tenn. Code Ann. § Title 57, Chapter 4, the local beer board shall provide notification to the ABC. The ABC is then authorized to take similar action related to the entity's license to sell alcoholic beverages.
- Based on information previously provided by the ABC:
 - It sends approximately 14 notifications to local beer boards annually, with each notification potentially containing multiple violations;
 - It receives approximately 10 notifications from local beer boards annually, with each notification potentially containing multiple violations;
 - Upon receiving notification from a local beer board, the ABC may initiate an investigation into the entity for violations against their license to sell alcoholic beverages, or sufficient evidence is provided that a violation occurred relative to the entity's license to sell alcoholic beverages, the ABC may cite the entity with a violation; and
 - It issues approximately 20 citations a year based on local beer board reciprocal notices.
- The proposed language:
 - Removes the ability for the ABC and local beer boards to cite licensee and permittees based solely on reciprocal notices of suspensions and revocations; and
 - Prohibits local beer boards from imposing fines or other penalties against permittees based solely on the fact that the ABC has imposed a fine or penalty.

- It is reasonably assumed that the ABC and local beer boards will perform independent investigations in order to assess fines for violations occurring by beer permittees and alcoholic beverage licensees; therefore, any decrease in state or local revenue from fine collection is estimated to be not significant.
- Given the low number of violation notices provided by local beer boards and the ABC, it is estimated that such investigations will be performed utilizing existing staff and resources; therefore, any increase in state or local expenditures for conduction of additional investigations is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic". The signature is written in a cursive, flowing style.

Bojan Savic, Interim Executive Director

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